NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers BB (4-B9) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE V.5

PAID UP OIL AND GAS LEASE (No Surface Use)

, 2009, by and between

28 day of Avgust

whose addresss is 4/04 Knox Street Fort Worth, Tex	as Lessor,
and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suffe 1870 Dallas Texas 75201, as Le	assee. All printed portions of this lease were prepared by the party
hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prep 1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor he	pared jointly by Lessor and Lessee. Arehy grants lesses and lets exclusively to 1 essee the following.
described land, hereinafter called leased premises:	Subjection issued and the monthly is respect to tellowing
ACRES OF LAND, MORE OR LESS, BEING LOT(S)	BLOCK ADDITION, AN ADDITION TO THE CITY OF
OUT OF THE W. S. Keller TARRANT COUNTY, TEXAS, ACCIN VOLUME 388- I PAGE 7 OF THE PLAT R	ADDITION AN ADDITION TO THE CITY OF
Fort Mactio TARRANT COUNTY TEXAS ACC	ADDITION, AN ADDITION TO THE CITY OF CORDING TO THAT CERTAIN PLAT RECORDED
IN VOLUME 388-7 PAGE 7 OF THE PLAT R	ECORDS OF TARRANT COUNTY, TEXAS.
	, , , , , , , , , , , , , , , , , , , ,
2 //	
in the County of Tarrant, State of TEXAS, containing gross acres, more or less (Incl.	luding any interests therein which Lessor may hereafter acquire by
reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketli substances produced in association therewith (including geophysical/selsmic operations). The term "c	itig oli atti gas, alotig willt ali tiyarocarbon ana non flyddocarboll
commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, the	ils lease also covers accretions and any small strips or parcels of
land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described lessed p	remises, and, in consideration of the aforementioned cash bonus.
Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more comple of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified sha	all be deemed correct, whether actually more or less.
	A
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of	f, vc (5) years from the date hereof, and for
as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from to otherwise maintained in effect pursuant to the provisions hereof.	the leased premises or from lands pooled therewith or this lease is
Royallies on oil has and other substances produced and seved becounder shall be half by Less.	ee to Lessor as follows: (a) For all and other liquid hydrocarbons
separated at Lessee's separator facilities, the royalty shall be \(\frac{16.6617}{16.6617} \) (20 Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lesson's transportation facilities are considered.) of such production, to be delivered at Lessee's option to
Lessor at the wellnead or to Lessor's credit at the oil purchaser's transportation/facilities, provided that Less the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in	isee shall have the continuing right to purchase such production at
prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas)	and all other substances covered hereby, the royalty shall be
The Courty (ADTa) of the proceeds realized by Lessee from the sale their	reof, less a proportionate part of ad valorem taxes and production,
severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise m have the continuing right to purchase such production at the prevailing wellhead market price paid for produ	parketing such gas or other substances, provided that Lessee shall include a similar quality in the same field (or if there is no such price).
then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursua	int to comparable purchase contracts entered into on the same or
nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the e	end of the primary term or any time thereafter one or more wells on
the leased premises or lands pooled therewith are capable of either producing oil or gas or other substance hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being s	es covered hereby in paying quantities of such walls are waiting on sold by Lessee, such well or wells shall nevertheless be deemed to
be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive	e days such well or wells are shut-in or production there from is not
being sold by Lessee, then Lessee shall pay shul-in royally of one dollar per acre then covered by this lease	se, such payment to be made to Lessor or to Lessor's credit in the
depository designated below, on or before the end of said 90-day period and thereafter on or before each a are shut-in or production there from is not being sold by Lessee; provided that if this lease is otherwise	helpn mainteined by operations, or if production is being sold by
Lessee from another well or wells on the leased premises or lands peopled therewith, no shut-in royally shall	I be due until the end of the 90-day period next following cessation
of such operations of production. I essee's failure to properly pay shut-in royally shall render Lessee liable f	for the amount due, but shall not operate to terminate this lease.
4. All shul-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's crebe Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All	Il payments or tenders may be made in currency, or by check or by
draft and such payments or tenders to Lessor or to the depository by deposit in the US Malla in a stamped	l envelope addressed to the depository of to the Lessor at the last
address known to Lessee shall constitute proper payment. If the denostrory should liquidate of he success	ded by another institution, or for any reason fall or refuse to accept
payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument nan 5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producit	no in paving quantities (herginarier called "Gry note") on the leased
uremises or lands nobled therewith, or if all production (whether or not in paving quantities) permanently	y ceases from any cause, including a revision of unit boundaries
pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the evenewertheless remain in force if Lessee commences operations for reworking an existing well or for drilling a	ent this lease is not otherwise penty memberial in tolce it shell
on the legged promises or lands socied therough within OB days ofter completion of aperations OB SUCO GD	y nois of willing so days affer spell cessation of all broduction. If at
the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in 100	CG OUT FERRES IS INSTITUTION IN CHANGIST LEMANDING OF SITY OFFICE
operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force on cassation of more than 90 consecutive days, and if any such operations result in the production of oil	BU TOUGHS SING ONE OF HIGHE OF PROTECTIONS OF PROSECUTED WITH
there is production in action acceptance from the legand arranges of leads peopled therewith. After complete	aion of a well capable of producing in paying qualitudes hereunder,
If VIGEOUSES E se divinit bolich additional walts on the leaged promises of lands gooled thereight as a 1999SI	UNGO DOBINIO WOULD WILL BOLD OF THE SECTION OF STREET
to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises from uncompensated drainage by any well or wells located on other lands not pooled their	rewith. There shall be no covenant to drill exploratory wells or any
a. I work shall be use the state and the obligation to work all or age and of the league premises fi	or interest therein with any other lands of interests, as to any or all encement of production, whenever I essee deems it necessary of
depths or zones, and as to any or all substances covered by this lease, either before or after the proper to do so in order to prudently develop or operate the leased premises, whether or noted the proper to do so in order to prudently develop or operate the leased premises, whether or noted to proper to do so in order to prudently develop or operate the leased premises, whether or noted to proper to do so in order to prudently develop or operate the leased premises, whether or noted to proper to do so in order to prudently develop or operate the leased premises, whether or noted to proper to do so in order to prudently develop or operate the leased premises.	
not formed by such pooling for an oil well which is not a nonzortal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that completion to conform to any well spacing or density pattern that may be prescribed or permitted by any group of the completion to conform to any well spacing or density pattern that may be prescribed by any group of the completion of the conformation of the confor	
of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable and prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and the prescribed and the same and the prescribed and the pres	"gas well" means a well with an initial gas-oil ratio of 100,000 cubic
feet or more per barrel, based on 24-hour production test conducted under normal producting conductor	of the gross completion interval in facilities or equivalent testing
equipment; and the term "horizontal completion" means an oil well in which the horizontal completion means an oil well in which the horizontal component of equipment; and the term "horizontal completion" means an oil well in which the horizontal component of	the gross completion interval in the reservoir exceeds the vertical
equipment; and the term "horizontal completion" means an oil well in which the nonzontal component to component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declar component thereof.	ration describing the unit and stating the effective date of publing.
Production, drilling or reworking operations anywhere on a unit which includes all or any part to be production.	visted whell be that amountion of the total unit production which the
reworking operations on the leased premises, except that the production on which Leason's royalty is calculated in the unit bears to the total gross acreage in the unit, it not consider the control of the total gross acreage in the unit, it	out only to the extent such proportion of unit production is sold by
Lessee. Pooling in one or more instances shall not exhaust Lessee a pooling lights hereafied.	duction in order to conform to the well spacing or density pattern
unit formed hereunder by expansion of contraction of dots, ettler before of after cultural and contraction of dots, ettler before of after cultural and contraction of dots, ettler before of after cultural and cult	acreage determination made by such governmental authority. In
making such a revision, Lessee shall file of record a written declaration describing the revision	reduction on which mysities are payable hereunder shall thereafter
leased premises is included in or excluded from the unit by viitue of such revision, the properties of	cessation thereof. Lessee may terminate the unit by filling of record
be adjusted accordingly. In the absence of production in paying quantities from a cinc of apon portraction	antitute a cross-conveyance of laterests.
a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not con- 7. If Lessor owns less than the full mineral estate in all or any part of the lessed premises, the royallit	ies and shut-in royalties payable hereuituel for any well of any per- pench part of the leased premises bears to the full mineral estate in
of the leased premises or lands pooled therewith shall be reduced to the proportion that cases of interest of	Loner harr of the leades browness waster and the
such part of the leased premises.	

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the salisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royallies hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or untitzed herewith, in primary and/or enhanced recovery. Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not timited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paregraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial limber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or fallure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice,

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable

there is a time plactable termination that a breach of default has occurred, this lease shall not be rohered of canceled in whole or in part timess lease is given a reasonable time after said judicial determination to remedy the breach or default and lease falls to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands peopled therewith and from which Lessor shall have no right to royally or

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lesser hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without Interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lesse. Lessee shall not have any rights to use the surface of the leased premises for diffing or other

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lesse payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lesse is the product of good faith negotiations. Lessor understands that these lesse payments and terms are final and that Lessor entered into this lesse without duress or undue influence. Lessor recognizes that lesse values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) Bv: ACKNOWLEDGMENT STATE OF COUNTY OF Tarrant 2009. This instrument was acknowledged before me on the harles C . Clemmons a JASON SCOTT Jex 45 Notary Public, State of **Notary Public** Notary's name (printed): 505000 Notary's commission expires: STATE OF TEXAS My Comm. Exp. Apr. 17, 2012 STATE OF COUNTY OF 2009 This instrument was acknowledged before me on the day of

> Notary Public, State of Notary's name (printed) 's commission expires:



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

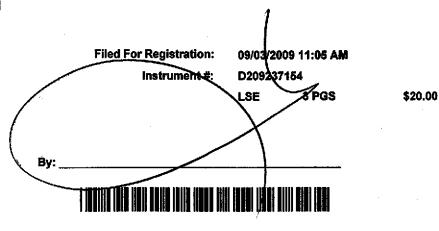
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D209237154

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